

BEFORE THE
POSTAL REGULATORY COMMISSION
WASHINGTON, D.C. 20268-0001

PERIODIC REPORTING
(PROPOSAL SIX)

Docket No. RM2022-13

**REPLY COMMENTS OF THE UNITED STATES POSTAL SERVICE
REGARDING PROPOSAL SIX**
(October 14, 2022)

On October 7, 2022, initial comments in this docket were filed by the Public Representative. The Postal Service hereby offers its reply comments to the Public Representative.¹ While supporting Proposal Six, the Public Representative also expresses concern about the representativeness of the current sample. PR Comments at 3-4. Although the current sample is not ideal, the PR Comments miss the mark on one factual assertion. More importantly, however, the Public Representative correctly anticipates that planned improvements may potentially alleviate these concerns.

Sampled Peak Accounts

The Public Representative agrees with the Postal Service's proposal to sample peak highway trips, but also recommends increases in the number of sampled tests with meaningful data for peak highway contract routes beyond those found in account 53622. PR Comments at 4. This concern is based on the Public Representative's review of available SAS datasets and the subsequent conclusion that all meaningful data were from a singular peak general ledger account (account number 53622). PR

¹ A separate motion has been submitted by the Postal Service today seeking leave to file these reply comments.

Comments at 3. The Public Representative indicates (footnote 7) that she could not find the account information for 8 tests out of the 38 tests, but in reality, the number of tests that did not display account information is 11. These 11 tests were conducted, but they were recorded as zero-volume tests, meaning that there was no mail unloaded at the test site for these trips. Because account information is carried forward with mail information data in the form3c, form3l, and pallet datasets, the account information was unavailable for these zero volume tests with no mail information recorded. Nonetheless, the Postal Service has confirmed that each of these tests was also for a trip within the general ledger account 53622, which aligns with the Public Representative's assumption with respect to those particular tests.

However, within the SAS datasets that do contain the account number, there are 3 tests that relate to account numbers other than account 53622. Test IDs 11301KQ and 12081KK are sampled from trips in the highway general ledger account 53624, while Test ID 11281PT is sampled from a trip in the account 53626. Consequently, the Public Representative's assertion that all the sampled test data provided are of a singular peak ledger account is incorrect. She is correct, however, that there were no tests conducted on trips within account 53625, which contains a material portion of the peak highway costs. PR Comments at 3-4. This was an artifact of the frame design process during the FY 2022 pilot, which relied on a list of peak trips from Logistics that did not include trips from this account.

The Public Representative recognizes that the Postal Service understood that the previous frame design methodology did not include all peak trips and that future modifications were proposed to mitigate these deficiencies. PR Comments at 4. The

Postal Service concurs that the proposed modifications to the frame design process will draw from all peak/Christmas accounts, as well as increase the number of tests to be conducted in order to ensure a fully representative frame that includes all trips that are classified as peak accounts. While the Postal Service cannot confirm in advance the extent to which specific accounts will be used or appear in the randomly selected list of trips for testing, the improved design process will allow for peak trips in all relevant accounts to be eligible for selection.

Conclusion

For the reasons stated above, Proposal Six should be approved, both in terms of allowing application of the available peak-season distribution factors for FY 2022, and endorsing the strategies for improvements going forward as detailed in the Proposal.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

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